

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SJR 327

April 30, 2009

SUMMARY OF BILL: Establishes that the State of Tennessee will not participate in any Federally-mandated carbon cap-and-trade system and opposes the establishment of such a system by the federal government.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

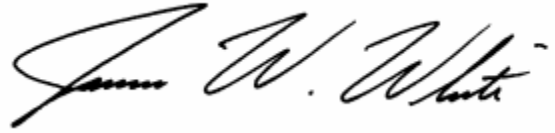
Other Fiscal Impact – Currently the Federal government has not mandated that states participate in a carbon cap-and-trade system. However, according to the Department of Environment and Conservation, such a system is being considered by both Congress and the Environmental Protection Agency. If such a requirement were placed on states, non-compliance could result in penalties. Potential penalties according to the Clean Air Act include the loss of federal highway funds to the state, the loss of two for one offsets on new growth of air contaminant sources and the loss of federal funds for the air pollution program. Currently, Tennessee receives \$1,100,000 per year in federal funds for the air pollution program.

Assumption:

- Any increase in state expenditures to transmit a copy of the resolution to the required Federal officials is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/cce